

Spadolini re-establishes tenuous unity of coalition

BY JAMES BUXTON IN ROME

SIC GIOVANNI SPADOLINI, the Italian Prime Minister, succeeded this weekend in re-establishing a tenuous unity in his coalition government...



Sig Spadolini

A formal vote of confidence had not been expected, but was chosen as a means of avoiding a potentially risky secret ballot...

UN arms talks end in discord

BY OUR UNITED NATIONS CORRESPONDENT

THE UNITED NATIONS special session on disarmament has broken up in discord and frustration, unable to overcome the negative influences of the world's political situation.

The meagre results of five weeks of public debate and intense private bargaining drew criticism from Mr Ismat Kittani of Iraq, the president.

Russian pipeline pump 'more efficient'

A prototype gas turbine pump, intended for use on the controversial Siberian gas pipeline to western Europe, ended its 200-hour endurance test at the weekend.

The chief designer at the Nevsky Zavod factory in Leningrad, where the pumps are being made, claimed it was 'on a par with... machines made under General Electric license...

EEC Ministers in talks on recovery BRUSSELS—European Community Finance Ministers met today to seek new ways to boost investment and cut the jobless queues.

ANC seeks support MAPUTO—The African National Congress will ask next month's summit of the Organisation of African Unity to oppose South Africa's transfer of black tribal areas to Swaziland...

James Buchan witnesses the bombardment of the southern suburbs Israeli fire rains down on Beirut

ISRAELI forces on the southern and south-eastern rim of West Beirut kept up a bombardment of the southern suburbs yesterday morning...

embassy quarter between Ramlat Al-Baida and the sea. On the seafloor, two miles from me, there is a hotel called the Summerland...

But it was clearly now prudent to leave where we were. The morning was too hazy to make out if Palestinian fire was reaching the hills.

bombardment starts, the whole hospital bleeds." His estimate was 50,000 for the civilian population of these southern quarters being shelled.

Argentine private sector gets 30% wage rises

BY JIMMY BURNS IN BUENOS AIRES

THE ARGENTINE Government over the weekend announced across-the-board salary increases for private sector employees of 30 per cent—the latest in a series of measures aimed at stimulating domestic production and pulling Argentina out of its worst recession in more than 15 years.

There was no immediate reaction yesterday from the unions to the Government move. However, labour experts suggested that the increases fell short of the demands of Argentine workers and were no guarantee against industrial unrest.

applied by successive economic ministers and the tight control on union activities by the military Government.

But the measures have already generated a substantial price explosion which is threatening to wipe out salary increases, in real terms, before they have been formally granted.

French set pay guidelines

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government has spelled out the basis of its income policy for the public during the difficult period following the ending of the price and wages freeze on October 31.

But the proposals be put on Friday to the civil service—where the level of settlements will be critical in determining the overall success of the policy—received a hostile reception.

In fact, the only rowdy demonstrations so far against the prices and pay freeze have come from groups of farmers and employers in small scale companies.

Shultz to be quizzed on foreign policy

WASHINGTON—Mr George Shultz will break his self-imposed silence on foreign policy when he appears tomorrow before Senators considering his nomination as U.S. Secretary of State.

WORLD TRADE NEWS

Air India loan helps Lloyds Bank role in aircraft finance

BY ALAN FRIEDMAN

LLOYDS BANK International has received a mandate from Air India to manage an \$88m syndicated loan which forms part of a \$198m package for the purchase of three A-300 aircraft from Airbus Industrie.

Bank has offered Air India more attractive management fees than did Midland on the \$88m loan portion. Midland, however, is involved in the \$110m export credit portion.

Move to improve import control systems

BY PAUL CHEESRIGHT, WORLD TRADE EDITOR

TENTATIVE official steps are being taken to bring the UK system of import controls, both at the public and private level, under greater public scrutiny so that the costs and benefits of protection may be more readily assessed.

has moved towards a trade policy embracing a greater degree of import restriction as a means of fostering industrial regeneration. This approach effectively breaches the generally bipartisan approach towards trade that has existed since World War II.

The Conservative Government, on the other hand, has tended to follow the traditional approach, best characterised as open trade with exceptions to cater for industries apparently unable to cope with adjustment in an open environment.

The present UK Government has already thrown out the idea of a new body, drawing on the experience of the U.S. and Australia, to study and publish the wider costs of any proposed new protectionist measure.

Japanese to sell facsimile machines to U.S. group

BY RICHARD C. HANSON IN TOKYO

NEC, THE Japanese telecommunications and computer giant, says it has received an exceptionally large order for development and sale of facsimile machines to Federal Express, in the U.S.



Lord Cockfield, Secretary of State for Trade

not surprising that Lord Cockfield, the Trade Secretary, should at last week's meeting of the NEC generally approve the drift towards initiating studies of industries affected by protection.

The initiative for such studies came from the Consumers Association. It wants "a system to monitor the costs and benefits of voluntary export restraints and other non-EEC arrangements to restrict imports."

Risk cover for China

THE U.S. Government has offered political risk insurance to American companies in China for the first time, but China will not be able to attract greater involvement until it acts to improve the investment environment.

the way for U.S. companies willing to do business there. Now the Chinese needed to do more to reduce difficulties foreign investors face.

World Economic Indicators

Table with columns for Country, Year, and Index change over previous year. Includes data for U.S., West Germany, France, Italy, UK, Japan, Netherlands, and Belgium.

Shipping report Tanker market and dry cargo rates continue fall

BY ANDREW FISHER, SHIPPING CORRESPONDENT

DRY CARGO rates last week continued what shipping firm Denholm Coates called "their dramatic and suicidal fall." The tanker market, too, remained gloomy.

On top of such factors as the slowdown in Russian grain imports across the Atlantic, the European steel slump, and the constant arrival of new tonnage, Denholm concluded that world trade must have suffered a sharp drop over the past three months.

Denholm Coates said such rates were disastrous for any owner. "They are only typical of the distress right up and down the size range." A large number of vessels, though not as much as in the tanker sector, is bound to go into lay-up.

As the freight market has declined, so have ship values in the sale and purchase market. A 65,000 dwt Norwegian flag Panamax ship built in 1973 would have fetched some \$10.5m on the second hand market in January; last month, it would have got only \$7m.

Taiwan scrapping up

Taiwan's shipbreaking industry produced 8,761 tons of scrap metal from the dismantling of 173 ships between July, 1981, and June, 1982.

Korean orders decline

Foreign ship orders received by South Korean shipyards in the first half of this year dropped 67.3 per cent from a year ago to 275,000 gross tons, AP-DJ reports from Seoul.

Complaint on chemicals intensifies trade row

BY CHRIS SHERWELL IN NEW YORK

HERCULES INCORPORATED, the only manufacturer of nitrocellulose in the U.S., has filed a complaint to the Department of Commerce and the International Trade Commission over the alleged dumping of industrial nitrocellulose by the French government-owned company, Societe Nationale des Poudres et Explosifs (SNPE).

Hercules argues that SNPE is selling the chemical, which is used in coating, lacquers and finishes, at less than a fair market price, and urges that anti-dumping duties be imposed.

The company estimates that it has some 70 per cent of the U.S. market, which was worth about \$70m last year.

The ITC now has 45 days to make a preliminary judgement of whether there is a "reasonable indication of injury" to Hercules. The Department of Commerce must judge whether any dumping has in fact occurred.

How can a man get a good night's sleep wondering if the million dollars he sent to New York ever got there?

He can rest easy. Chase has the latest computer technology in place to transfer US dollars to any money centre in the world. And to confirm it instantly. And deliver a printed confirmation the next day. That's banking on Chase Time.

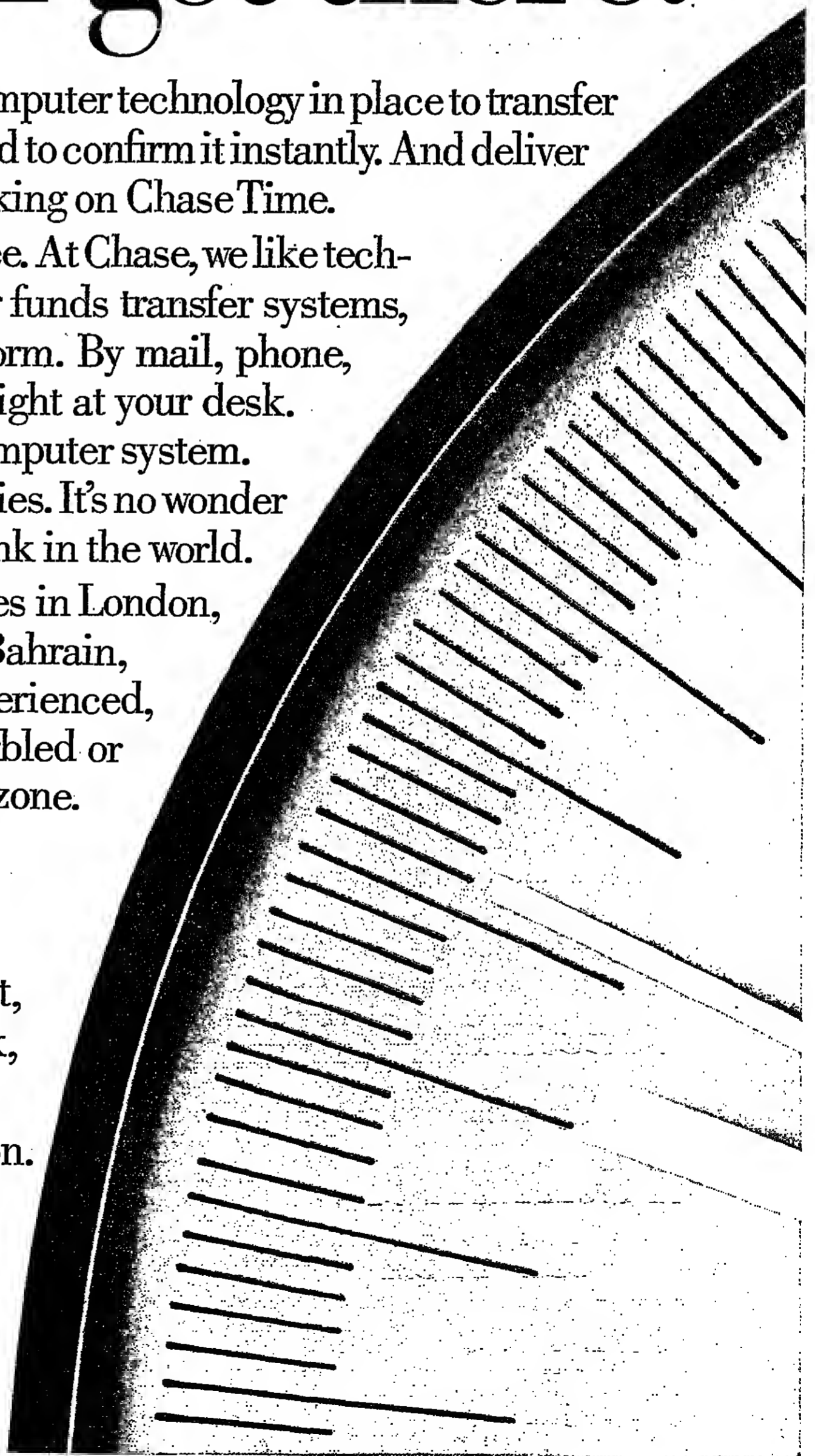
A transfer with Chase is virtually error-free. At Chase, we like technology to be easy to live with. So, unlike other funds transfer systems, Chase can take your order in just about any form. By mail, phone, telex, SWIFT, or from the computer terminal right at your desk. The minute you deliver it we feed it into our computer system. And speed it on its way to any of over 100 countries. It's no wonder that we transfer more money than any other bank in the world.

Chase also has Regional Service Centres in London, Luxembourg, Hong Kong, Tokyo, Singapore, Bahrain, and for Latin America in New York. With experienced, multi-lingual staffs. So, if there is an error, garbled or missing information it's caught. In your time zone. In your language. Before it's transferred.

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In the race against time, the Chase is on.

 **The Chase is on.**



BBC 1 Television schedule including 'Tonight's Choice' with programs like 'The Paul Daniels Magic Show', 'Sing Country', and 'Cavalcade'.

BBC 2 Television schedule with programs such as 'The Paul Daniels Magic Show', 'Sing Country', and 'Cavalcade'.

LONDON section containing news and updates, including '9.30 am Sport Daily' and '10.45 Inside the Golden Gate'.

THE WEEK IN THE COURTS
Deptford: a vacuous verdict

SOME EXCEPTIONAL issues from some of the unjustified... Deptford: a vacuous verdict... The High Court to overturn the open verdict recorded at the coroner's inquest into the tragic deaths of 13 black youths by fire in a house in Deptford on January 18, 1981.

ANGLIA section with news and updates from the Anglia region.

GRAMPIAN section with news and updates from the Grampian region.

SCOTTISH section with news and updates from Scotland.

TYNE TEES section with news and updates from the Tyne Tees region.

RACING BY DOMINIC WIGAN

WITH the World Cup ending, it is reasonable to assume that race-course attendances for evening meetings will show a healthy increase and certainly, there are few pleasant places to be on a summer's evening than at Windsor.

Glass Houghton Maiden Guaranteed Stakes (5.15). PONTEFRAC 3.15-Mahabba 4.45-Java Tiger 5.15-Faite Vite LEICESTER 8.00-Bid Again** 9.00-The Quiet Don* WINDSOR 6.40-Snatch And Run** 7.30-Cardinal Flower 8.00-Wizama Leone 8.30-Tirawa 9.00-Sabra Dance

BORDER section with news and updates from the Border region.

GRANADA section with news and updates from Granada.

ITVS section with news and updates from ITVS.

YORKSHIRE section with news and updates from Yorkshire.

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NIPPON SHEET GLASS CO., LTD.

Further to our notice of March 18, 1982, EDR holders are informed that Nippon Sheet Glass Co. Ltd. has paid a dividend to holders of record March 31, 1982. The cash dividend payable is 50 yen per Common Stock of 50 yen par value.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN AJIUNOMOTO CO., INC.

Further to our notice of March 18, 1982, EDR holders are informed that Ajiunomoto Co., Inc. has paid a dividend to holders of record March 31, 1982. The cash dividend payable is 50 yen per Common Stock of 50 yen par value.

NOTICE OF RATE OF INTEREST

USERS OF OUR FLOATING RATE SERIAL NOTES DUE 1982... THE SECRETARY REED (NEDERLAND) N.V. 14 1/2% Guaranteed Bonds 1989

CONTRACTS AND TENDERS

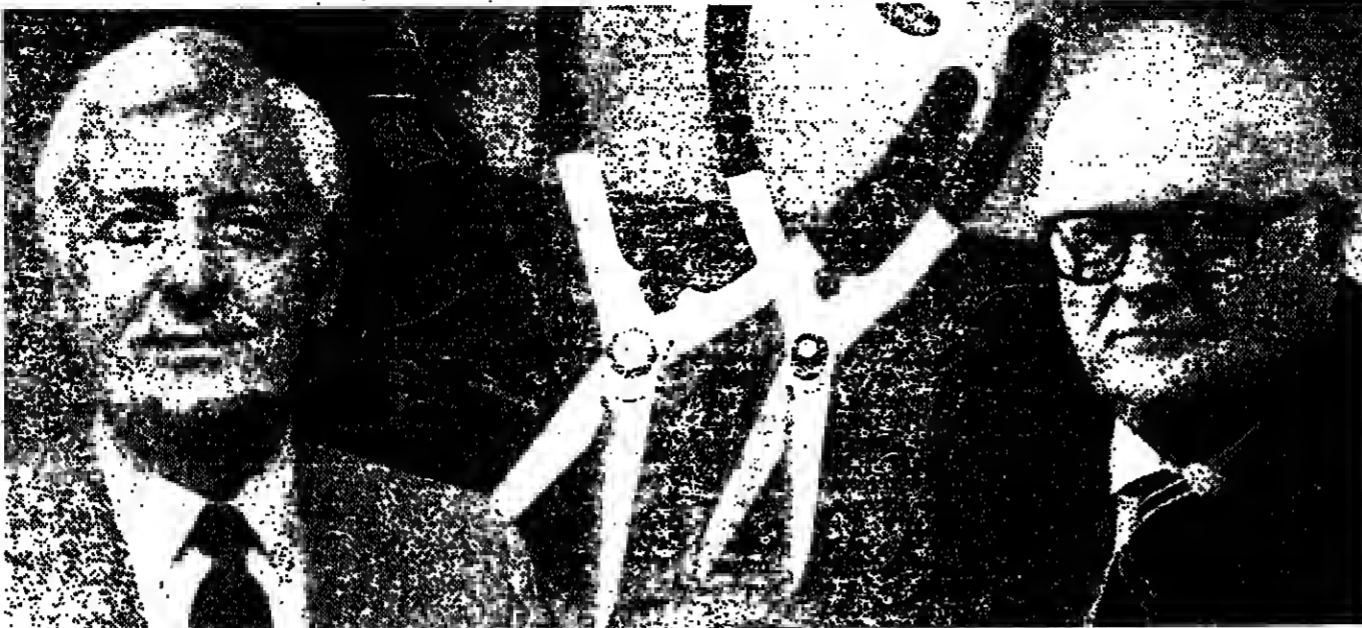
INTERNATIONAL NOTICE OF CALL FOR TENDERS. National Electric Power Authority, Lagos/Nigeria. Pre-Qualification for Additional 330kV and 132kV Transmission Lines.

MANAGEMENT

How Wilkinson Sword sharpened its thrust

BY DUNCAN CAMPBELL-SMITH

IT TAKES an unusually confident chief executive to treat future growth as a management option. But that is exactly the approach of Allegheny International's Robert Buckley.



Sharp minds in tandem at Allegheny International and Wilkins on Sword: Robert Buckley (right) and Christopher Lewinton

Nothing better illustrates the remarkable management style that characterises the Allegheny group. It suggests, too, a degree of planning and resolution not always associated with Wilkinson Sword in its last years of independence (as Wilkinson Match) before September 1980.

By the time the union was finally consummated, big changes were already under way in the British company. As a result, Wilkinson has lived up to the part assigned it in 1980 by its American parent—and in some respects has gone beyond it—that is to play a more central role in Allegheny's future.

It has been getting a good hammering, too, from people in the City. Shares took a bump down to 140p when Randolph left. Nine months later, at the end of June 1980, they were 115p and still on the slide.

When he sits at the table with Buckley, two carnivores together, the meeting of minds is very evident. Like Buckley, Lewinton has a penchant for the incisive management strategy. Whatever Randolph's criticisms of the team he left behind, Lewinton knew exactly what he wanted to do with Wilkinson.

A good start had been made in 1980 even before the corporate wedding. We looked at their information and accounting procedures and 70-80 per cent of them stayed unchanged," says the Allegheny chairman. Adjusting the new subsidiary to its U.S. parent group was "almost a non-event—integration nowadays is so disciplined by the computer."

Two of these are much as one might expect. Wilkinson's various businesses have firmly underlined Allegheny's move into utilitarian consumer goods, particularly in the kitchen and the garden. And at the same time, they have helped Allegheny's expansion outside the U.S. — Wilkinson accounts for about 40 per cent of the whole group's \$1bn international sales at present.

Amazed

"That's as measured by the GNP deflator in the U.S.," explains the chairman. "If inflation is higher than 61 per cent, I will really be amazed."

As a result of the merger, Buckley struck to this aim through a tumultuous five years, acquiring a succession of major companies. Then, in a \$195m deal in 1980, he finally sold off the steel business itself.

Carnivore

But Allegheny had some other, more immediate incentives. One of them, ironically, was Randolph's own departure and that of other key executives in his camp.

The dominant influence in Wilkinson's boardroom ever since has been Christopher Lewinton, now its chief executive and a member of Allegheny's own board since early 1978.

Crossflow

"We didn't really know how to fix a sick consumer company," says Buckley, describing the crossflow of ideas between London and Pittsburgh. "We just watched Wilkinson."

Lewinton's growing responsibilities now include the overseas side of Sunbeam Corporation, the U.S. kitchen and bathroom appliances company which Allegheny acquired last January.

TECHNOLOGY

Speech

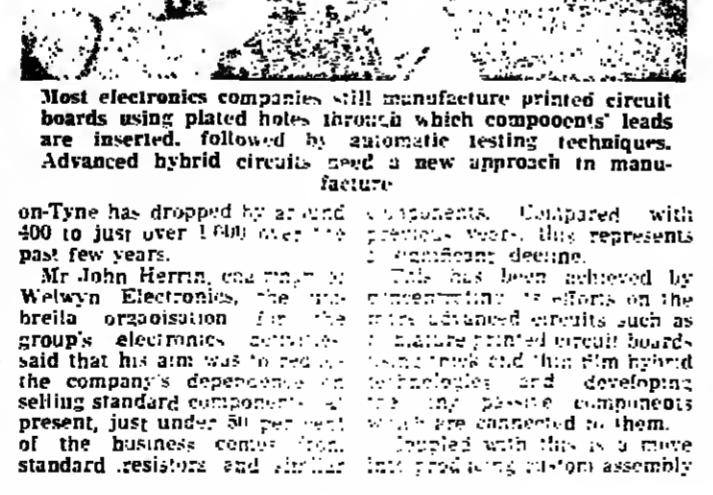
TEXAS INSTRUMENTS OF THE U.S. this week began a new service in the Far East designed to shorten design-to-production time of fast-moving products incorporating computerised sound and speech functions.

How Europe's largest resistor manufacturer is diversifying to grow

Welwyn moves actively from passives

BY ELAINE WILLIAMS

WELWYN ELECTRIC, Europe's largest resistor manufacturer, has embarked upon a massive diversification programme in electronics components and assembly to ensure its survival in the world components industry.



Most electronics companies will manufacture printed circuit boards using plated holes through which components leads are inserted, followed by automatic testing techniques.

Outside military, aerospace and few other specialist applications most electronic circuits are made using conventional assembly techniques. Passive and active components which have leads or metal legs which are inserted through one side of a printed circuit board and then soldered to a metal track.

There are many advantages in using chip or leadless components including space saving. It is possible to increase speed of automatic assembly of printed circuit boards and few holes have to be drilled on the boards which again leads to more space saving.

Texas to shorten design time

TI's design service is free to the customer, but it charges \$12 to \$15 each for each sample set of chips including voice and synthesiser and central processor. Charges for the chips are considerably lower in quantity production.

Telephone exchange aims at small businesses

ITT takes advantage of telecom liberalisation

HOT ON the trail of the newly liberalised private automatic branch exchange (PABX) market is ITT Business Systems, with the announcement of an all-digital machine called QCS300.

ITT claims that unlike other systems offering comparable facilities, the QCS300 is very compact, occupying no more surface area than a hand cabinet.

As with microelectronics, however, it has been possible to shrink the size of the passive components—the resistors and capacitors—and the printed circuit boards onto which they are mounted.

By contrast in Japan, use is made of the sophisticated parts where very high volumes of consumer products are required. In the U.S. more than half the resistors made are of the chip variety.

Lasers

Battelle's laser X-rays

UNDER a one year study programme for the U.S. Air Force, Battelle's Columbus, Ohio, laboratories are attempting to use laser generated X-rays to etch semiconductor patterns at 100 times the density obtained on most large scale integrated circuits at the moment.

Dictionary

Jargon explained

THE ENGLISH language and rapid technological change do not make particularly happy bedfellows. The layman seeking a simple explanation of, say, how a microcomputer works, is often treated to a barrage of technical jargon from experts which only bewilders him further.

Something for nothing. EMERSON. A complete range of products for your business.

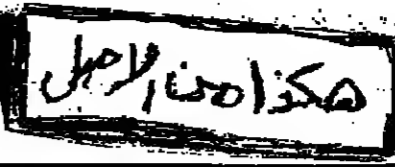
Programming Helping investment decisions. FT INVESTING readers might be forgiven for doubting whether any computer program and database could ever be clever enough to give perfect advice about the timing of share purchase or sale.

Opportunities. The company emphasises that the service goes well beyond merely providing current prices and financial news and can identify opportunities and the correct time to exploit them.

Users simply make a short telephone call each day to update their computer at home or in the office. The computer then stores and prepares to present an analysis of information received. Subscribers can ask questions via the microcomputer and get a prompt reply.

Handwritten signature or mark at the bottom of the page.

THE ARTS



Architecture

Colin Amery

Wren... the spirit and the genius

Christopher Wren was born 350 years ago. This important anniversary has been beautifully commemorated in an exhibition at the Whitechapel Arts Gallery...

drew the lines, circles and planes... no doubt in order to show himself to mortals everywhere. Architecture for Wren is seen as the synthesis of mathematics and the rational, if unknown, order of the universe.

of them arranged around the presiding glory of St Paul's as if in homage to the culmination of Wren's creative power. The man of science displayed in the exhibition shows Wren to have been consistently concerned with the minutiae of life itself as a basis for the establishment of rules that could explain the natural order.



Early 18th century engraving of a drawing by Wren showing the scale of the west front of St Paul's.

the Dean and Chapter of St Paul's have put the model in the crypt of the cathedral and restored it for permanent display. It is impossible to see inside it. There are, fortunately, informative photographs of the interior of the model at the Whitechapel exhibition.

buildings and a map to entice the visitor into the City to look at the real thing. The organiser, Professor Kerry Downes, has provided just the right level of information to make you want to explore the buildings.

The Clash/Fair Deal

Antony Thorncroft

Here was a potential occasion. The Clash, one of the least compromising of the new wave bands whose songs often seemed designed to spark off a riot if not the revolution, playing at the Fair Deal in Brixton; and on a hot night, too.

nice record deal; an overseas tour; mountains of publicity. The Clash have gone conventional and even Summer can prefer to disappear - Hollywood fashion - rather than play for his fans. On stage, too, a lot of the fire had gone. There were fewer acrobatic kicks in the air and, although Summer started the act with a few incoherent threats to the audience, he soon lost interest. As a result, this was as solid a rock performance as you are likely to see.

Sanskritik/Elizabeth Hall

Max Loppert

The series of recitals which spreads before London a feast of Indian dances and music reached its twelfth successive year of existence under the umbrella of the Festival of India. It has taken only this relatively short time for Sanskritik to have become one of the indispensable and indelebtable dates on the musical calendar - no less so for the audience member contented to remain no more than a cultural tourist among the tantalising artistic riches of the Indian sub-continent.

apés gathered on one rather crowded dish - this year's schedule offers in each programme a more substantial display of a single artist or at most two or three. Last night's recital, the fourth of the series, belonged entirely to the dance; and while one might have missed (and regretted missing) the contrasts of taste and abundance of diverse sensations produced by the old system, it was thrilling indeed to spend a whole evening with the most famous exponent of South Indian dance, Yamini Krishnamurti, supported by a quintet of vocalists, percussion and drone players and syllable chanters.

Bernadette Grevy/Wigmore Hall

Max Loppert

The voice of Ireland's leading mezzo-soprano is warm, strong, evenly placed and steady. Miss Grevy's tone, her style of emission is simple and easy, requiring little of the listener's attention. For some of the music in her large repertoire, personal taste might prefer a sharper edge of definition to the timbre, but there is never any question of wobble or (except occasionally at the extreme ends of her wide compass) spread.

perfect in French diction as to verge on the comic. In a final group of Irish folk songs set by Herbert Hughes there was more suggestion of inflection and nuance than in anything heard earlier; but by that time regret that Miss Grevy's splendid instrument is so unimaginatively used was all but unassuageable. The pianist was Havoc Nelson, matching the singer every inch of the way in forthright subtlety and in his command of the cinematic grandiosities of Duparc's "Phidyle" really quite alarmingly unskilful.

Don Juan/Central Park, New York

Frank Lipsius

"Don't believe all the stories you've heard, and stay in your village," advises Don Juan to two comely damsels in Richard Foreman's revision of Molière's New York's own village setting of Central Park. The first Shakespeare in the Park production of the season, Don Juan exhibits Foreman's familiar tricks of having his characters walk in slow circles round the stage while actors push and pull their sets with them. Characters emerge and disappear in the great mass of faces that fill the stage, only to reappear when a curtain at the backdrop is drawn.

characters ebb and flow like the sea. Had Foreman allowed the sea to inject a bit of discipline into his flowing direction, the result would have improved the production and done better justice to Molière. The signs of the production's origins at the Guthrie Theatre in Minneapolis are especially evident in the actors, including a pathetically conscientious off-balance and funny Sganarelle by Roy Brocksmith. The disadvantage in the play's transfer is presumably its reproduction of a backdrop that looks like a wall constructed in the middle of Central Park. Especially with one of the play's scenes set at the seaside, the failure to use the Delacorte's natural backdrop of one of Central Park's lovely lakes is especially unfortunate.

The Sheep Meadow remains off limits this summer while its "luxurious lawn" looks like an untouchable, exclusive golf course. The rest of Central Park keeps abreast with activities varying from well-attended free concert versions of Metropolitan Opera productions of Fidelio and Il Trovatore and concerts by the New York Philharmonic, to skateboarding and volleyball on the great lawns. Wolman Rink, once the summer home of rock concerts, has been torn down and most of the music, apart from the anti-war demonstration in June, comes from the welcome but seemingly anti-social Walkmans that joggers, skaters and walkers sport like members of some athletic conspiracy.

People Show 87/ICA

Rosalind Carne

After more than a decade of mind-bending entertainment, the People Show have come up with the ultimate tasteless treat. Will they go on for ever? Afficionados will know what to expect: casual punters might like to take a chance and find restaurants are advised to make a block booking before the tourist season gets into full swing. I should be intrigued to know what the average Soho maestro makes of this particular culinary nightmare.

where in the southern hemisphere. At least the cage gives the acrobatic little fellow ample scope to display his simian proclivities. Perfectly in character, he obviously does his homework in London Zoo. From here his imagination flies back to the fateful evening out of the limp lettuce, the dry bread rolls, the surly waiter. Or is the imprisonment a dream? Who knows? Does it matter? What we see is the lovable, universal victim, splattered with saucy spaghetti after a tentative request for halibut vindaloo.

THEATRES

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F.T. CROSSWORD PUZZLE No. 4920

ACROSS 1 South American boy created a disturbance (6) 4 Pure when no longer suffering from measles? (8) 10 Inexpensive team in the City (9) 11 Uniform colour (5) 12 Dash to weaken the spirit (4) 13 Developing a space away from home (7, 3) 15 Happening by luck initially to find part of the church (7) 16 Swallow half the official jargon (6) 19 Let it be boxed (2, 4) 21 Lie if in cot moving round (7) 23 Leave the wrong impression (10) 24 Dandy to live with a Ugandan leader (4) 27 A bird on the Nile (5) 28 Interpretation of the first coat of plaster (8) 29 Seaside letter? (8) 30 Was obstinately determined to have followed (6) DOWN 1 Undistinguished crowd plunder the hiker's bag (8) 2 Exaggerated about being in the red (9) 3 Catch sight of eastern agent (8)

Grid for crossword puzzle with numbers 1-30 indicating starting positions for clues.

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finantimo, London PS4, Telex: 8954871
Telephone: 01-2489000

Monday July 12 1982

Steel, quotas and free trade

EUROPEAN and U.S. negotiators are settling down to write another chapter in the 18-year-old story of how to protect the U.S. steel industry. They are seeking to put the clock back to 1969-74 when European exports were restrained by quotas.

extent the subsidies received by, say, UK and French producers are unfair support of production costs. Distortion If a quota agreement is reached then the U.S. producers will probably drop their cases. But if they drop their cases then the EEC cannot proceed with its Gatt action, because there will be no grievance to adjudicate.

Damaging

But it is not the best way out. It should be resisted. Bilateral bargaining about quotas will solve no basic problems. To end this damaging history of dispute there has to be an international solution within the framework of international trading law defined in the General Agreement on Tariffs and Trade (Gatt).

There is little immediately that can be done about that. But it is necessary to freeze the dispute at minimum cost to those involved, while a Gatt panel is set up. This panel, up to five neutral individuals, would hear both sides of the dispute and, under subsidy code rules, report back within 60 days.

The immediate problem is what to do about the preliminary counter-vailing duties already in place — bonds have to be posted pending a final determination in mid-August of whether the duties remain — and about the future of the duties if the preliminary decision is confirmed by the U.S. Government. The least unsatisfactory solution may lie in administrative action. U.S. lawyers note that there is flexibility in the way duties are paid — there is a time lag between the entry of goods and the time the duty is due. That time lag should be extended until the outcome of Gatt adjudication.

Commitment

But the whole purpose of a Gatt adjudication would be lost if the governments concerned are not prepared to accept it when it is delivered. It would be helpful if they could make a commitment now. There is little alternative. The subsidies code is loose because negotiations in the 1970s were not able to reach precise conclusions. Bilateral talks about the methodology of defining subsidies between U.S. and European governments have been inconclusive. A neutral ruling seems the only way out consistent with an open world market.

IDA's need for western support

THE WORLD'S poorer countries are finding that the safety nets on which they had long relied have begun to fray. World Bank programmes are starting to be constrained by the body's capital and financial position. The International Development Association, the World Bank's soft-loan window, has had to cut back its disbursements by over a third because of not dragging by Washington. Last week we saw one slight crack in the gloom when countries belonging to IDA persuaded the U.S. to start talks on what they would all contribute for its next few years' activities.

to India it would have found itself exceeding prudential country limits. With the World Bank finding its bonds beginning to saturate some international markets, it is not in a position to take over what IDA has been doing.

Reform Finally, a healthy IDA is needed if the world is to meet the development demands of an increasingly impotent China. By 1985 China may be claiming eligibility for up to \$2bn aid per year. By traditional IDA criteria it should have a loan blend with less IDA and more World Bank funds than India: average income in China is considerably higher than in India, and it has no external debt. But, if IDA is to help China without cutting back its other activities, it will require a real increase in pledges over the levels provided from July, 1980, to June, 1983.

Valuable For these reasons alone it is hardly surprising that IDA has suffered at the hands of the Reagan Administration. But it is to be hoped that this development will be corrected. Firstly, IDA has proved valuable in itself. Last year its net transfers to the developing countries were as great as those for the World Bank. It has financed over 10 per cent of the balance of payments deficits of the lower income countries, which have poor access to capital markets. It has helped boost agricultural production in South Asia — though, as it admits, been less successful in Africa. It has acted as a stimulus for other investments. Secondly, by its activities IDA has helped the World Bank keep its high credit rating. IDA has taken on loans to the poorest countries which could have weakened the World Bank's standing in international capital markets. It has also been able to give India, with its vast population, a high proportion of its advances; if the World Bank alone had tried to be equitable

This is not to say that there is not room for reform at IDA. Its projects have sometimes suffered from inadequate local management and from a lack of follow-through. It has shown insensitivity to local realities, particularly in Africa where most of its few failures have been. Its terms need reviewing. It is arguable that Kenya and India should be asked to pay more for funds than Chad and Bangladesh. Several of the richer countries receiving IDA funds should probably "graduate" out, as have 26 countries including South Korea and Turkey.

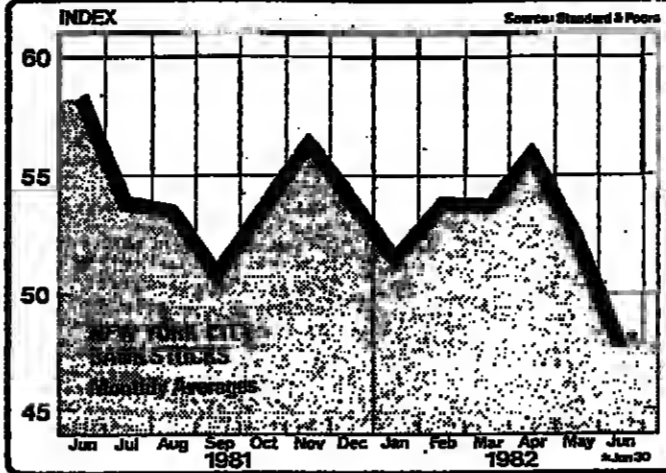
Importance But one of Mr Clausen's early decisions was to order a thorough review of such issues. The review, the first in IDA's 22 years, is to be published at the time of the annual meetings of the World Bank and IMF in September. It is evidence that IDA is showing a welcome concern about the expectations of its major donors. In return, the U.S. should renounce its attempts to cut back its contributions by spreading them more thinly over a longer period than pledged. And, as other sources of comfort for the developing world are hard to find, it is ever more important that IDA should have the funds to maintain its activities, if not to increase them.

U.S. COMMERCIAL BANKS

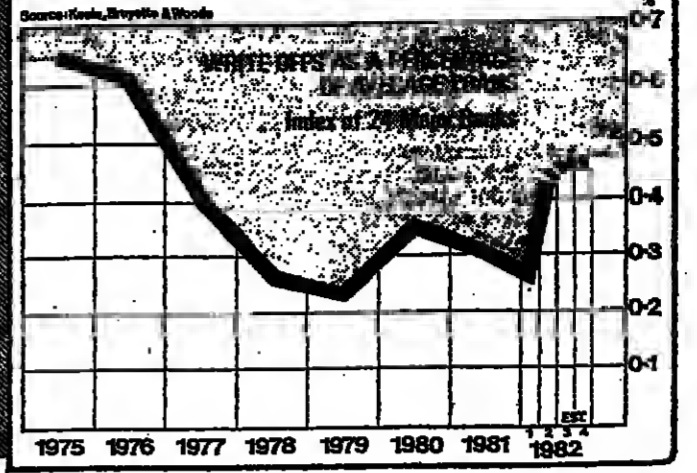
A second nasty surprise

By David Lascelles in New York

HOW BANK STOCKS HAVE MOVED



HOW LOAN LOSSES ARE RISING



THE U.S. banking industry is now having to adjust to its second costly surprise in as many months. Only eight weeks after Drysdale Government Securities delivered a \$300m swipe at three large New York banks, an equally small and obscure financial institution, Penn Square Bank of Oklahoma, last week dealt a serious blow to several more banks around the country. The full scale of its losses is not yet clear, but they could be just as big, if not more so. Wall Street reacted with the kind of short burst of frenzy that has become all too familiar in these turbulent times. Share prices fell, led by major bank stocks, which were driven by heavy selling to 52-week lows in many cases. Some went even lower, amid stock market rumours of more accidents. Since Drysdale few major bank stocks have lost about a third of their value. By the end of the week the Federal Reserve had calmed things down again by feeding reserves to the anxious capital markets just as it did after the Drysdale affair. Indeed, in retrospect, the market's reaction may well have exaggerated; things are not as bad as they were during the last bank crisis in the mid-1970s. But nasty surprises like these inevitably touch on fears about the soundness of the banking system. Cooler heads argue that the basic structures are still strong and profitable. Yet it is hard to ignore incidents in which two small concerns which few people had ever heard of could wipe out an entire quarter's worth of earnings at three of America's largest banks — Chase, Continental Illinois, and Seafirst of Seattle. Only last March, Moody's, a leading New York credit rating agency, stripped all but J. P. Morgan of the top ten, or so U.S. banks of their prized Triple A status because of the deterioration of key measures of their financial strength. These include their assets to equity and loan loss ratios. Some analysts thought this was an overreaction and Standard and Poor's, the other rating agency, did not follow suit. But when the results are added to the heavy toll of bankruptcies caused by the recession, high interest rates and the problems of large international borrowers like Poland and Argentina, it is easy to see why people are worried. So far this year, 16 commercial banks have failed, and the Federal Deposit Insurance Corporation which regulates the banking industry currently has 260 banks on its troubled list. This certainty does not mean they will all fail, but it does reflect identified weaknesses in their balance sheets. THE FDIC won't say how many of these are savings and loan banks which have special troubles to contend with, but the number compares with 217 in 1980, the lowest figure for five years. Much of the increase stems directly from the harsh economic climate of the U.S. in

to Penn Square and the banks who participated in its loans — about \$2bn worth. Real Estate and Housing: high interest rates have brought widespread failures here as well. But the banks' problems stem more from the U.S. system of fixed rate mortgages whose yields have fallen far behind funding costs. Dozens of savings banks have failed, forcing a shift towards European-style flexible rate mortgages. Bank regulators have warned that the shake-out in the housing finance industry is far from over. Business Failures: There were more bankruptcies in the first half of this year than in the whole of 1980. Some were big, like Braniff International. But the small ones have taken their toll as well. Bank of America, the largest U.S. bank, revealed in the spring that its bad loans tripled last year to \$1.6bn, mainly because of the plight of small borrowers. Mr Leland Prussia, the chairman, told the annual meeting in May that "The emergence of more problem credits will come as no surprise in 1982." The ratio of loan losses to total loans at 24 major U.S. banks has doubled since 1979, according to Keefe, Bruyette and Woods, a Wall Street investment firm that specialises in bank stocks. However, the situation is not as bad as it was in 1975. Farming: The slump in world commodity prices has put U.S. farmers in a severe financial squeeze and led to a sharp increase in farming debt — and bankruptcies. U.S. farmers currently owe \$10 for every dollar they earn, five times more than normal. Aggravating many of these problems is the constraint of U.S. bank regulation which is widely considered — inside and outside the industry — to be harming the domestic competitiveness and profitability of U.S. banks. Banks still cannot compete freely in the market place for the savers' dollar because banking regulations passed many decades ago limit the amount of interest they may pay on deposits. Instead they have to buy that dollar in the money markets where it has been fuelled by a mutual fund which picks up a fee on the way. By the same token, banks are being prevented from joining in the financial service revolution which is creating "supermarkets" like America

TOP TWENTY U.S. BANKS

Table with columns: Assets, Loans, Write-offs, Net operating income, Performance, Return on assets, Leverage, 5-year growth rate. Lists banks like BankAmerica, Citicorp, Chase Manhattan, etc.

Men & Matters

Brass rubbings

All change at the top of the Ministry of Defence this year — so much so that the uninitiated might think the brass who ran the Falklands campaign had incurred the displeasure of their political bosses.

Not so. In the jargon so beloved of the MOD's bureaucrats, CDS, CGS, CAS and CNS (alias First), not to mention PUS, are all going simply because they have served their allotted time.

Shoot out

The FT's man in beleaguered Beirut was on the telephone to the office from his hotel on Friday when he was rudely interrupted. Armed men had started careering around the hotel garden in a jeep losing off machine gun bullets and grenades at random.

Lucky numbers

Hard-headed Hongkong Land Company managing director Trevor Bedford made an appearance in these columns last week praising the good feng shui of the new Exchange Square development which will include the new unified Hong Kong Stock Exchange.

Table manners

Radical social changes are under way at BL's Cowley car plant in Oxford. The hierarchical canteen structure is being swept away in a move that should bring workers and bosses together for lunch, at least.

Observer

Everybody in Hong Kong has a story to tell about George Tan and his eccentricities. Bankers working on projects involving Carrion have had the feng shui of their offices examined, and been advised to move desks lest evil spirits slip through the door unobserved.

Carrian's lucky number?

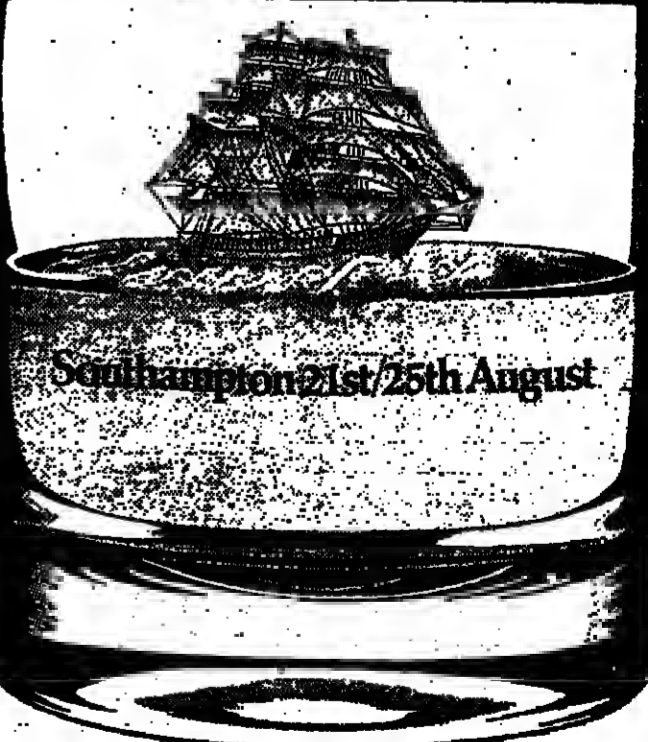
Since the Chinese characters for nine and eight connote longevity and prosperity respectively, the implied aspiration seems comprehensible enough.

Quality without compromise

Foremen have smaller, square tables, each furnished with a (perspex) jug of water. The commercial staff canteen enjoys a similar status, but senior supervisors have a carpeted floor and waitress service. There is much amused speculation about the standards to be set in the new all-in dining area, on which work has now started. The canteen will, however, be carpeted. "Some of our executives just cannot get away from the idea they should always have a carpet under their feet," says one man from the shop floor.

Cutty Sark Scotch Whisky

Sponsors of the Cutty Sark Tall Ships Races



Quality without compromise.



PMPA rejects bid for banking offshoot

IRELAND'S LARGEST motor insurer, Private Motorists Protection Association (PMPA) has rejected "several" bids for the Commercial Banking Company, including an offer of £4m from American Express.

PMPA holds 80 per cent of the Commercial Banking Company and it is believed to be seeking around £5m for it. Talks are continuing with American Express and, in the meantime PMPA is speeding up publication of its 1981 accounts.

SPAIN

Table with 3 columns: Price, July 0, and July 1. Lists various Spanish companies and their share prices.

Battle to sway Bemrose holders on Bunzl offer

Bunzl and Bemrose entered into a document which sets out the terms of the offer. Bemrose shareholders have been asked to accept the offer, which would see the company converted into a public limited company.

Mr Beaumont says with regard to the Bemrose shareholders who accept the increased convertible offer, "as the benefit of the steps we have taken to change fundamentally the nature of the company, take effect, and show through in absolute profit growth an improved mix of profits, we confidently expect our share price to reflect this achievement."

Mr Beaumont concludes by drawing attention to the fact that Bemrose ordinary shares have regularly traded between 40p and 70p through most of the last five years, and urges holders to accept Bunzl's offer which he stressed are final and will not be increased.

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Cambrian General turns in £176,246

Profits of Cambrian General Securities totalled £176,246, before tax of £57,930, for the half-year to March 31. In the same period last year, the surplus was £126,126, before tax of £41,789.

The directors say a substantial promotion of the investment portfolio was liquidated and the resulting proceeds held in a dollar deposit pending the implementation of the capital reorganisation proposals announced in January. Therefore figures are not comparable.

As far as is known, £88,000 (49.9 per cent) ordinary shares and 4,909,047 (66.7 per cent) capital shares were owned by U.S. persons on July 2. As already announced there is an interim dividend of 0.2p on increased capital. Net asset value is given as 42.49p per ordinary share (144.5p and 8.65p per capital share).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering Official Indications are not available as to whether the dividends are interim or final and the sub-divisions shown below are based mainly on last year's financials.

Interims: A. Kersevan, Bank Organisation; Final: Amersham International, D. F. Bevan, Caledonian Associated Cinemas, Cardo Engineering, Lannons, A. Monk, Peard, Resner (Jewellers), Shaw Carports, Western Board Mills.

Corning moves back to £2.5m profit for year

Glass manufacturer Corning swung round sharply the year to November 29 1981 from a pre-tax loss of £642,000 to a profit of £2.5m, on sales slightly down from £61.65m to £59.2m. As in the previous year, no dividend is to be paid.

Receiver for Eda Sparkrite

ROGER DICKENS and Alistair Jones of chartered accountants Pevs, Marwick, Mitchell Company, Birmingham, have been appointed joint receivers and managers of Eda Sparkrite.

COLMORE INVESTMENTS

Colmore Investments, a wholly owned subsidiary of Nescan Investments, intends to put proposals to holders of the Colmore first mortgage debenture stock for the redemption of the stock at 95 per cent, plus accrued interest.

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, unless otherwise stated. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year".

Table with 4 columns: Company Name, Date, Announcement last year, and Dividend last year. Lists various companies and their dividend schedules.

BASE LENDING RATES

Table with 2 columns: Bank Name and Lending Rate. Lists various banks and their current base lending rates.

MARKS & SPENCER

At the Annual General Meeting on 1st July 1982, a Poll was demanded in respect of the Resolution to adopt the Annual Report. The result of the Poll, as ascertained by the Scrutineers, was as follows: For the Resolution 267,780,892 Against the Resolution 5,254,276

M. J. H. NIGHTINGALE & CO. LIMITED

Table with 4 columns: Company Name, Price, Change, and Yield. Lists various companies and their stock prices and yields.

FINANCE FOR INDUSTRY TERM DEPOSITS.

Table with 4 columns: Term (years), Interest %, and Deposit Amount. Lists various industry term deposit options.

THE TRING HALL USM INDEX

128.0 (+0.3) Close of business 9/7/82 Tel: 01-638 1391

LADBROKE INDEX

Close 550-555 (+2) BASE DATE 10/11/80 100

CSR Limited advertisement. U.S. \$75,000,000 16 per cent. Notes 1989. Issue price 100 per cent. Includes details of the offering and participating banks.

THE FLEMING UNIVERSAL INVESTMENT TRUST PLC advertisement. Formerly LONDON and HOLYROOD TRUST PLC. Investment Manager - Robert Fleming Investment Management Limited.

C.V.G. Siderurgica del Orinoco C.A. (Sidor) advertisement. U.S.\$50,000,000 Floating Rate Notes Due 1984-1988. Includes details of the offering and participating banks.

MINING NEWS EZ closes Roseberry zinc mine. BY GEORGE MILLING-STANLEY. AUSTRALIA'S EZ Industries has closed its Roseberry zinc mine in Tasmania, following industrial action by part of the workforce.

Tin production down in June. Production of tin concentrates by the companies under the control of Malaysia's Permas Chartered Management last month to 1,620 tonnes, compared with 1,679 tonnes in May.

Despite this, the MMC companies managed a total output for the year of 8,503 tonnes, well above the total of 6,576 tonnes for the preceding 12 months. Aoken... 97 117 105 Awer... 243 377 260 Berjantol... 13 15 15 Kamuning... 89 770 738 Sural... 32 23 28 Tongkah Herb... 48 40 44 Trench Mines... 11 12 12

UNION DE BANQUES ARABES ET FRANCAISES - U.B.A.F. advertisement. U.S.\$65,000,000 Floating Rate Notes 1980-1990. Includes details of the offering and participating banks.

EQUITIES

Table with 4 columns: Issue Price, Amount, High, Low. Lists various equity issues and their prices.

FIXED INTEREST STOCKS

Table with 4 columns: Issue Price, Amount, High, Low. Lists various fixed interest stocks and their prices.

"RIGHTS" OFFERS

Table with 4 columns: Issue Price, Amount, High, Low. Lists various rights offers and their prices.

Public Works Loan Board rates advertisement. Effective July 7. Quota loans repaid. Non-quota loans A* unpaid at maturity.

Handwritten note: 50,000,000

CREDITS

Australian borrower reaps benefits of flight into quality

NOTHING illustrates the flight into quality in the Euro market more than the ease with which the State Electricity Commission of Victoria was able to raise last week a \$120m loan.

The maturity of the loan at 15 years is almost twice the average preferred in the market nowadays even for well-regarded names, and the margins are such as to make these borrowers green with envy.

Interest will be charged at a margin of 1/4 per cent over Eurodollar rates for the first two years, 1/2 per cent for the next seven and 3/4 per cent for the remaining six. Repayments will start after a grace period of 12 years.

Merrill Lynch, which is acting as adviser to the borrower, said on Friday that the whole deal was committed on these terms, although the full list of lead managers is not being disclosed till later this week.

The Eurocredit market will also shortly have a chance to savour another Australasian risk in the form of the New Zealand Refinery Co which is raising \$750m through a group of banks led by Lloyd's, Morgan Gusebery, National Bank of New Zealand and Bank of New Zealand.

This credit follows hard on the heels of the \$1.7bn financing for the New Zealand Synthetic Fuels Corporation and is expected to be raised on terms similar to the \$500m credit arranged by the same borrower in 1980.

New Zealand Refinery then paid a margin of 1/4 per cent for the first three years, rising to 1/2 per cent for the next five and 3/4 per cent for the final four. Both that credit and the new one are to finance the country's only refinery at Marsden Point on the North Island.

But while the market is enjoying doing business with these customers, news has come in of yet another rescheduling. Malawi, with debts of around \$600m and a 1981 current account balance of payments deficit of \$110m, has asked its

bankers for an agreement to defer repayment of debt. Little is known at the moment about the details of its request, but the country is also understood to be negotiating facilities from the International Monetary Fund and the World Bank.

In itself Malawi's debt problem is a relatively small one, but its disclosure only serves to add a little more to the gloomy atmosphere surrounding sovereign lending these days, even if a chink of light may have opened up in a much bigger debt problem, that of Poland.

As already reported, Western banks are promising to consider recycling interest payments back into Poland in the form of short-term trade finance that is needed to boost its export industry. Poland would have to agree to meet all its \$900m interest payments to Western banks this year and not all the payments would be recycled in the form of trade credits. Such a solution may prove hard to sell to all the 500 banks owed money by Poland but it could still offer a way out of the impasse caused by Poland's inability to meet all of its interest payments out of its own resources.

Mexico, meanwhile, has not yet launched another large borrowing as a follow up to its recent jumbo credit, but seems to prefer for the time being to concentrate on discreet smaller loans.

One such operation reported in the market last week involved efforts by a UK bank to arrange a \$150m, three-year credit for Finasa, the sugar industry finance board, at a margin of 1/4 points over Eurodollar rates or 1 per cent over U.S. prime. Banks willing to take \$20m were offered a very generous fee of 1/2 per cent.

Despite the problems of the Canadian oil and gas industry, one company from this sector is braving the Eurocredit market. Ocelot Industries is raising \$75m through an eight-year credit with an average life of 6 1/2 years and a margin of 1 percentage point over Libor. The operation is being led by Orion Royal Bank.

Peter Montagnon

INTERNATIONAL BONDS

General rally a possibility after decline in interest levels

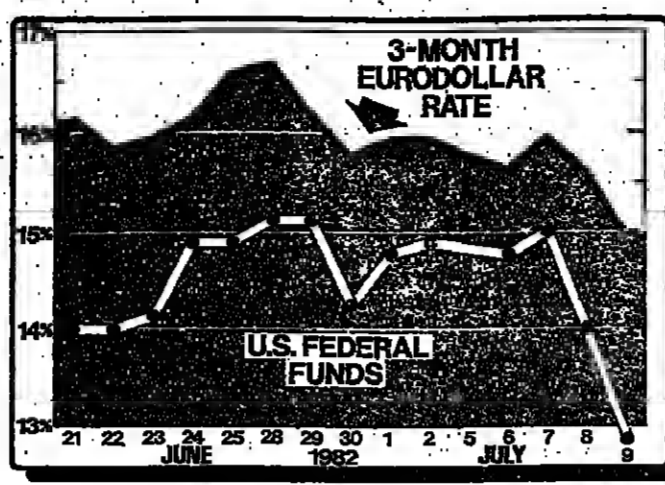
THERE IS nothing like a bank failure to concentrate the minds of Eurobond dealers, economists, central bank authorities, and anyone else with an interest in the volatile world of interest rates.

For months now the lunch-table talk of Eurobonders has been grim, even macabre. If there would only be a major U.S. corporate or bank failure, they have reasoned, the immediate shock impact would lead authorities to inject liquidity into the market which would finally result in falling interest rates.

The past seven days have seen a small bank failure in Oklahoma—Penn Square—but the ripples have led to exaggerated fears, emotional selling of U.S. and Canadian bank Euro-paper, and above all, the hint of what many Eurobonders perceive as a fear-induced decline in dollar interest rates.

By the end of last week—after a major Euro market sell-off of U.S. and Canadian bank bonds, floating rate notes and certificates of deposit—there were indications that the market was gearing up for a rally. Prices of Eurodollar bonds rose by a point on Friday, the six-month Eurodollar deposit rate had fallen 1/4 per cent on the week to 15 1/2 per cent, and new issue managers began speaking again about a window for borrowers.

Several Eurobonders reckoned the bank paper sell-off had been overdone and indeed, there were signs of limited buying late on Friday. But Thursday



had seen the temporary suspension of trading in Continental Illinois bonds and Friday saw the same thing happen to Canadian Imperial Bank of Commerce (CIBC) paper.

Major Eurobond institutional investors—those whose portfolios are in the multi-billion dollar bracket—confirmed that they had engaged in distress selling of floating rate notes and CDs. The blocks sold had been of \$5m, \$10m and higher amounts in some cases, and these included top U.S. bank names with very high yields.

It was this kind of selling of bank paper, irrespective of yield, which underscored the seriousness of Europe's concerns. Was the sell-off of bank paper overdone? One investor complained on Friday it was "very hard to find a market."

Another fund manager commented: "I don't personally believe these banks will have their doors closed, but that doesn't prevent the market from worrying."

The most tangible effect of the banking worries was that Euro funds went rushing into U.S. Treasury bonds and into sovereign risk paper. The Government of Canada's \$750m bond approved by 1 point on Friday and at 9 1/2 per cent, while the New Zealand 9 1/2 per cent paper is doing very well, while South Africa's Postal Service 10 1/2 per cent deal traded at yields of 11 per cent. This is viewed as a reasonable level for the less-than-popular South African paper, while seasoned Argentine DM bonds are yielding around 15 per cent.

The World Bank will be watching the D-mark sector closely and may come to market this week. The coupon range appears to be 9 1/2 to 9 3/4 per cent and the World Bank will obviously be hoping for an improved market and the lowest possible coupon.

Agip, the Italian energy group, has postponed its DM 100m issue until after the summer. Euhart, the U.S. industrial group, meanwhile, has been forced to increase its DM coupon to 9 1/2 per cent after a poor reception.

In Switzerland, the slightly weaker U.S. dollar helped the bond market to improve on Friday. One cloud on the Swiss horizon is a rising inflation rate, but the six-month Euro-Swiss deposit rate is a modest 5 13/16 per cent.

It was learned over the weekend that the Japanese Ministry of Finance has authorised four Japanese banks to issue fixed interest Eurodollar bonds. New issue managers at several London-based banks were understood to be working over the weekend on a \$50m fixed interest bond.

Alan Friedman

WORLD BANK

Low cost for variable rate dollar funding

"WITH REAL U.S. interest rates as high as they are, this is a good time to be borrowing short-term dollars."

Thus Dr Joseph Wood, director of Financial Policy and Analysis at the World Bank, explains the reasoning behind the bank's decision to start borrowing at variable rates in the U.S. money market.

Within the next few months the bank is expected to embark on its first operation of this kind. In its current fiscal year to June 30, 1982, it will raise a maximum of \$1.5bn in variable rate debt, the bulk of which will come through the sale on a discount basis of one- to six-month notes in the U.S.

In London last week to explain the new programme, Dr Wood maintained that the cost of this form of borrowing was considerably cheaper than medium-term borrowing in the floating rate note market or through syndicated bank credits.

He said the World Bank hoped to achieve a very fine margin over U.S. Treasury Bills with its programme, which could give the bank access to some of the cheapest dollars in the market.

On Friday six-month U.S. Treasury bills were trading at just over 12 per cent, while the six-month Eurodollar rate, on which floating rate notes and Eurocredits are based, was 15 1/2 per cent.

The new borrowings will reduce the need for the bank to raise expensive medium- and long-term bonds in U.S. dollars as part of its \$9bn programme for the current fiscal year, but Dr Wood stressed that the bulk of its operations will still be at fixed rates of interest.

By offering a new type of instrument in the U.S., the bank hopes that it may broaden the range of investors buying its paper. The short-term U.S.

dollar market is very large and liquid, he said, which made it an obvious choice for this type of borrowing.

The West German authorities have indicated that they would not wish to see the bank borrowing at variable rates in D-Marks which has been one of its favourite currencies.

Markets in many other currencies are too thin to sustain the type of borrowing the bank wishes to arrange, which is another reason for choosing to concentrate its short-term borrowing on dollars.

The World Bank has decided to move into short-term variable rate borrowing basically because it fears the fixed rate markets may not grow enough to support its very heavy funding needs.

Already in the first part of the last fiscal year its liquidity dipped from the usual level of around \$10bn to below \$9bn as some borrowing had to be deferred because of the state of the markets. At the end of June the liquidity was back up to \$10.5bn, Dr Wood said.

Dr Wood acknowledged that the bank could make a profit on the short-term borrowing if it treated the funds raised as liquidity and invested them in higher-yielding short-term instruments.

In that case the benefits would be passed on to the bank's borrower country clients in the form of lower loan fees, although the bank is going to pass on the interest risk in short-term borrowing by altering its loan rate every six months from now on.

Dr Wood said that these alterations would be fairly small because the major portion of the bank's debt—it has some \$33bn outstanding—would still be at fixed rates of interest.

P.M.

CURRENT INTERNATIONAL BOND ISSUES

Table with columns: Borrowers, Amount, Maturity, Av. life, Coupon, Price, Lead manager, Offer yield. Lists various international bond issues from U.S. Dollars, Swiss Francs, D-Marks, and ECU's.

BANCO TOTTA & AÇORES

Head Office: Rua Aurea, 88 - 1100 LISBON - PORTUGAL. Branches in London, New York and Cayman Islands. BALANCE SHEET AS AT 31ST DECEMBER 1981 (Thousands of Escudos)

Assets and Liabilities table. Assets include cash and deposits, loans, and other assets. Liabilities include demand deposits, time deposits, and other liabilities.

CONTRA - ACCOUNTS

Table listing contra accounts such as safe custody items, collections for customers, collateral held as security, etc.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1981

Profit and Loss Account table showing interest payable, commissions receivable, other banking profits, and income from securities.

APPROPRIATION ACCOUNT

Appropriation Account table showing losses relating to previous years, profits for appropriation, and extraordinary gains.

Footnote: This figure includes 467,000 thousand Escudos relating to social security payments (B.T. & A. is the only Portuguese Credit Institution integrated into the National Social Security Scheme).

CHIEF ACCOUNTANT AND CONTROLLER: Francisco de Costa Lopes. CHAIRMAN: Álvaro João Pinto Correia. The Annual Report, the Balance Sheet and the Statements of Accounts have been approved by The Rt. Hon. Minister of State and of Finance and Planning as at 31st May 1982.

EXXON CORPORATION

\$515,486,000 debt restructuring

The undersigned assisted Exxon Corporation in this transaction

Morgan Guaranty Trust Company of New York

June 1982

Companies and Markets

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Fed eases tension to market's delight

THE U.S. credit markets were in a state of near-euphoria by the end of last week, amid signs that the Federal Reserve was trying to encourage a fall in interest rates. Some excellent money supply figures were significant on the case.

Fed is unlikely to feed a big burst in credit demand. So the moment the pace of borrowing begins to pick up and the U.S. Treasury comes back to market, interest rates could easily move up again.

Table with 2 columns: U.S. Interest Rates (%), Week to Week, and July 2. Rows include Fed Funds, 3-month Treas, 3-month Gov, 30-year Treas, AA Utility, AA Industrial, Source: Salomon Bros.

policy meeting the week before) would stand fast because of the expected bulge in the money supply later this month.

But the Fed supplied the credit markets with reserves at a heady rate all week long. Some of it was obviously intended to ease tensions caused by Penn Square.

The popular interpretation is that the Fed has not relaxed its restrictive money supply growth targets. But it may now feel it has the leeway to ease up a bit and provide the interest rate relief everyone is crying out for.

After Friday's \$3.7bn decline in M1 (much more than Wall Street expected), this crucial measure is now comfortably within the Fed's target range of 2 1/2 to 3 1/2 per cent annual growth.

Analysts are being more cautious about labelling this the turning point, however. The

Lord Weinstock fails to allay AEG union fears

BY KEVIN DONE IN FRANKFURT

LORD WEINSTOCK, chief executive of General Electric Company, failed at the weekend to allay trade union fears about the UK electrical group's planned participation in the rescue of financially stricken AEG-Telefunken.

At a four-hour meeting on Saturday with the 10 employee representatives on the AEG supervisory board, Lord Weinstock made clear, however, that if the work force continued its outspoken opposition to GE's bid to give up its bid to purchase a 40 per cent interest in AEG's capital goods business.

Under the rescue plan proposed by AEG management to save the ailing West German electrical giant, the concern would be broken up into separate companies for capital goods and consumer products.

The crisis surrounding the beleaguered company is expected to take a decisive turn later this week, when the Government is due to decide on AEG's application for loan guarantees covering export orders totalling DM 600m (\$241m).

JAL group profits ahead

BY OUR FINANCIAL STAFF

JAPAN AIR LINES (JAL) has reported a 75 per cent increase in its consolidated net income for the year ended March to ¥5.3bn (\$21m) from ¥3.06bn a year earlier.

The results mirrored a similar performance at the unconsolidated level of a 59 per cent rise in net profits to ¥5.9bn on a 10.6 per cent increase in revenues to ¥72.62bn.

Permission for Citicorp for Citicorp data arm

By David Lascelles in New York

CITICORP, the large New York banking group, has received permission from the Federal Reserve Board to set up a subsidiary to enter the data processing and transmission business.

The move marks an important milestone in the banking industry's efforts to break into new fields. It also deals a blow to the existing data-processing business, which had opposed Citicorp's application on the grounds that the bank had unfair access to potential customers through its banking relationships.

Company in Panama free trade zone fails

BY DAVID GARDNER IN PANAMA

PANAMA'S COLON free trade zone, the largest in the western hemisphere with a turnover last year of \$4.4bn, has suffered the first casualty of its 34 year existence.

Senior posts at Kaiser Aluminum

BY DAVID LASCELLES

MR BRUNO P. VATERIAN, formerly a manager of Hoffmann-La Roche, is on July 1 to succeed Mr Marc Steinfels as head of management with the Zurich detergent and soap company, FRIEDRICH STEINFELS.

The Italian state energy conglomerate ENTE NAZIONALE IDROCARBURI has named Mr Salvatore Portulani to succeed Mr Florio Fiorini as its financial director.

Mr Mike Venn

MR MIKE VENN has been appointed manager and vice president of NATIONAL WESTMINSTER BANK'S San Francisco overseas branch. He was an executive vice-president of Bellotti Corp. and replaces Mr Henry Harnischfeger, who continues as chairman and chief executive officer.

Mr Peter Dankley

BY DAVID LASCELLES

MR PETER DANKLEY who is returning to the UK on completion of his tour of duty. Prior to his new appointment Mr Dankley was a manager in the international banking division of Citicorp Bank, based in the City of London.

MR WILLIAM MICHAEL KARNES, who has held this post since January 1981. Dr Anastopoulos is returning to the U.S. as a vice president and chairman of a newly-formed corporate development and growth committee.

Mr Peter Larson

MR PETER LARSON, a senior vice president of KIMBERLY-CLARK CORPORATION, has been named president of the K-C Consumer and Service Companies—U.S. Mr Larson has been responsible for marketing in the U.S. operations of the K-C Consumer and Service Companies.

INTERNATIONAL APPOINTMENTS

MR HARNISCHFEGGER CORP. Milwaukee, has elected Mr William W. Goessel as president, chief operating officer and director. He was an executive vice-president of Bellotti Corp. and replaces Mr Henry Harnischfeger, who continues as chairman and chief executive officer.



Mr Mike Venn

MR LELAND A. HODGES of Fort Worth was elected to the board of REPUBLIC OF TEXAS CORP. (RPT). He is chairman of the board of State Reserve Life Insurance Company of Fort Worth and is the managing partner of Leonard Properties.

FT INTERNATIONAL BOND SERVICE

Table with multiple columns: U.S. DOLLAR, YEN STRAIGHTS, EURO BOND TURNOVER, STRAIGHTS, OTHER STRAIGHTS, FLOATING RATE NOTES, CONVERTIBLE BONDS. Includes various bond types and their yields.

Advertisement for GTE Finance N.V. featuring retractable notes due 1997. Includes logos for GTE and Orion Royal Bank Limited, and a list of participating banks from various countries.

APPOINTMENTS

Imperial Group subsidiary posts

IMPERIAL BREWING AND LEISURE, part of the Imperial Group, has made the following appointments: Mr Brian F. Ballock, marketing director; Mr Michael N. F. Cottrill, managing director; Mr John S. Smale, personnel director.

Mr Fausto Careti, managing director of Aeritalia of Italy has been appointed chairman of the Panavia board of directors. The chairmanship of Panavia rotates between the three parent companies — British Aerospace, Messerschmitt-Bölkow-Blom and Aeritalia.

Dr John Howard, a former director of development of Industrial and Forensic Science, Northern Ireland, has joined the board of CREMER AND WARNER, consulting engineers and scientists.

SEIKO TIME (UK) has appointed Mr Nigel Southern general manager, responsible for sales marketing.

Mr Alan Protheroe, assistant director-general of the BBC, and Mr Alan Hart, controller, BBC1, have been appointed to the board of directors of VISNEWS, the international television news agency and communications company.

director, radio, and Mr Noble Wilson, controller, international relations. Another new appointment to the Visnews board is that of Mr Peter Smith, who is Reuters' international communications manager, Europe.

The third BBC member of the Visnews board, Mr Michael Checkland, director of resources — television, has been elected deputy chairman of Visnews in succession to Mr Richard Francis. The BBC and Reuters are each one-third owners of Visnews, in which the other shareholders are CBC (Canada), ABC (Australia) and BCNZ (New Zealand).

DUNLOP has appointed Mr Charles Anthony Borlase a director of the Grimsby-based oil and marine division. Mr Borlase became general works manager of the car tyre division at Fyt Dunlop in Birmingham in 1979.

Mr Ian S. Durrell has been appointed to the new post of general manager of European operations for the SOFTWARE PRODUCTS GROUP (SPG) of Informatics General Corporation. Mr Durrell will be responsible for the marketing and support of software products sold in all European markets plus the Middle East and Africa.

Mr David Fielden has been appointed to the board of THE REYNOLDS AND GUYER TRUST with overall responsibility for the treasury and administration functions.

Mr Prys Edwards and Mr Alfred Gooding have been appointed to the board of executive members of WALES AND THE MARCHES POSTAL BOARD.

This week's business in Parliament

BY ERIC SHORT TODAY Commons: Finance Bill, remaining stages. Motion on the Coal Industry (Link on Grants) Order. Lords: Employment Bill, Committee, Excise Duties (Deferred Payment) Regulations 1982, approval motion.

Select Committee: Home Affairs—Subjects: Racial Disadvantage. Witnesses: Rt Hon Sir Keith Joseph MP, Secretary of State for Education and Science; Sir George Young, Parliamentary Under-Secretary of State, Department of the Environment (Room 15, 10.30 am).

TOMORROW Commons: Finance Bill, remaining stages. Lords: Employment Bill, Committee, Town and Country Planning (Minerals) Regulations 1982, approval motion.

WEDNESDAY Commons: Debate on an Opposition motion on the failure of the Government's regional and industrial policies, motion on Industrial Development (Northern Ireland) Order. Lords: Transport Bill, Committee, Clergy Pensions (Amendment) Measure.

Home Affairs—Subject: Home Office procedures for the investigation of possible miscarriages of justice. Witness: Criminal Bar Association (Room 8, 11 am). Employment—Subject: Employment Creation. Witness: M and C Group

Department of Employment (Room 8, 4.30 pm). Commons: on a Private Bill — proposed Bill Greater London (General Powers) (No. 2) Bill (Room 9, 4 pm).

THURSDAY Commons: Supply debate on the Common Fisheries Policy. Motions on the Army, Air Force and Naval Discipline Acts (Continuation) Order. Lords: Local Government and Planning (Scotland) Bill, Report, Merchant Shipping (Liner Conferences) Bill, Committee, Stock Transfer Bill, Report.

Select Committee: Agriculture — Subject: Supply Estimates 1982-83 Class III. Witnesses: Sir Brian Rye, Permanent Secretary, Gordon Wilson, Under-Secretary, Ministry of Agriculture, Fisheries and Food (Room 18, 11 am).

FRIDAY Commons: Motions on Northern Ireland Orders, Appropriation (No. 2) and agricultural development. Lords: Deregulation Bill, Second Reading, Lloyds Bill, Third Reading.

Meals guide for non-smokers

THE Association of Non-smokers' Rights and the Scottish Health Education Group has published the first guide in Britain to eating places which offer accommodation for non-smokers.

The Good Air Guide to Eating Places in Edinburgh and Scotland includes reviews of clean-air restaurants, cafes, bars, fast food outlets, fast food establishments, refectories and hotel dining rooms. Nineteen forbid smoking; seven provide a separate dining room for non-smokers and 33 offer separate sections or tables for people who prefer smoke-free air while eating.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interim or final. The sub-divisions shown below are based mainly on last year's timetable.

FRIDAY JULY 16 COMPANIES MEETINGS— Caird (A), Angus Hotel, Market Gate, Dundee. Caledonian Hotels, 315-222, Southbury Place, Edinburgh. Frasers, 230, Regent Road, Aberdeen. Frasers, 230, Regent Road, Aberdeen. Frasers, 230, Regent Road, Aberdeen.

FRIDAY JULY 16 COMPANIES MEETINGS— Caird (A), Angus Hotel, Market Gate, Dundee. Caledonian Hotels, 315-222, Southbury Place, Edinburgh. Frasers, 230, Regent Road, Aberdeen.

TOMORROW COMPANIES MEETINGS— Caird (A), Angus Hotel, Market Gate, Dundee. Caledonian Hotels, 315-222, Southbury Place, Edinburgh. Frasers, 230, Regent Road, Aberdeen.

FRIDAY JULY 16 COMPANIES MEETINGS— Caird (A), Angus Hotel, Market Gate, Dundee. Caledonian Hotels, 315-222, Southbury Place, Edinburgh. Frasers, 230, Regent Road, Aberdeen.

REPUBLIC OF AUSTRIA US\$400,000,000 Medium Term Loan. Lead Managed by Creditanstalt-Bankverein. Girozentrale und Bank der Österreichischen Sparkassen AG. Allgemeine Bank Nederland NV. The Bank of Tokyo, Ltd. The Dai-ichi Kangyo Bank, Limited. IBI International Limited. Morgan Guaranty Trust Company of New York. Standard Chartered Bank PLC. Genossenschaftliche Zentralbank AG, Vienna. Österreichische Länderbank. Amsterdam-Rotterdam Bank NV. Citicorp International Group. Gulf International Bank B.S.C. Manufacturers Hanover Limited. National Westminster Bank Group. Sumitomo Bank Merchant Banking Group.

Bank of Ireland (Established in Ireland by Charter in 1783, and having limited liability) Issue of U.S. \$75,000,000 Floating Rate Capital Notes due 1992. The Issue Price of the Notes is 100 per cent. of their principal amount. Morgan Grenfell & Co. Limited, The Investment Bank of Ireland Limited, Morgan Guaranty Ltd, Bank of Tokyo International Limited, Citicorp International Group, Crédit Commercial de France, Crédit Suisse First Boston Limited, European Banking Company Limited, Goldman Sachs International Corp., Manufacturers Hanover Limited, Morgan Stanley International, Orion Royal Bank Limited, Saudi International Bank, Sumitomo Finance International.

Powell Duffryn Well equipped to seize future opportunities. * Trading profit of £19m maintained at last year's level. * Dividend unchanged. * Profit before taxation £12.5m, down 11%, reflecting higher interest charges on increased capital employed. * High level of capital expenditure continuing with emphasis on overseas expansion. * Our corporate objectives and strategy remain unchanged — to maintain a balanced diversity of industrial activities, concentrating resources and investment where skills and experience lie, and to increase geographical spread while maintaining a strong UK trading base. * Knowing that the company is equipped to seize the opportunities which will undoubtedly arise we view the future with some confidence. Sandon, Chairman. ANALYSIS OF RESULTS: Divisional 1982 1981 Turnover £m £m Trading profit £000 £000 Engineering 82 79 3,836 4,639 Shipping 113 105 3,718 3,451 Bulk Liq. Stor. 15 12 4,320 2,987 Fuel Distrib. 290 238 6,324 6,832 Const. Services 86 75 940 1,944 Geographical United Kingdom 13,893 14,544 Cont. Europe 1,056 1,897 N. and S. America 2,003 2,092 Aust. and Far East 1,530 1,029 Africa & Mid. East 656 291

Companies and Markets

WORLD STOCK MARKETS

NEW YORK

Table of stock prices for various companies in New York, including columns for High, Low, Stock, and July 9 price.

1982

Table of stock prices for various companies in 1982, including columns for High, Low, Stock, and July 9 price.

1982

Table of stock prices for various companies in 1982, including columns for High, Low, Stock, and July 9 price.

CANADA

Table of stock prices for various companies in Canada, including columns for High, Low, Stock, and July 9 price.

HOLLAND

Table of stock prices for various companies in Holland, including columns for High, Low, Stock, and July 9 price.

HONG KONG

Table of stock prices for various companies in Hong Kong, including columns for High, Low, Stock, and July 9 price.

NEW YORK

Table of stock prices for various companies in New York, including columns for High, Low, Stock, and July 9 price.

1982

Table of stock prices for various companies in 1982, including columns for High, Low, Stock, and July 9 price.

1982

Table of stock prices for various companies in 1982, including columns for High, Low, Stock, and July 9 price.

CANADA

Table of stock prices for various companies in Canada, including columns for High, Low, Stock, and July 9 price.

HOLLAND

Table of stock prices for various companies in Holland, including columns for High, Low, Stock, and July 9 price.

HONG KONG

Table of stock prices for various companies in Hong Kong, including columns for High, Low, Stock, and July 9 price.

Indices

Table of financial indices including Dow Jones, Standard and Poors, and various regional indices.

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Charity hopes to save wood
THE Woodland Trust, a registered charity, is trying to raise nearly £60,000 to safeguard 110 acres of Wye Valley woodland.

CURRENCIES, MONEY and GOLD

MONEY MARKETS

Base rates set to fall

A steady reduction in Bank of England money market dealing rates last week led to strong speculation that clearing bank base rates will soon be back to the 12 per cent level of last summer. Base rates fell to 12 per cent on March 10 1981, but jumped to 14 per cent on September 15, and 16 per cent on October 1, as sterling weakened from over \$2.20 to the spring to less than \$1.50 by late summer. Over the same period the pound traded-weighted index, on Bank of England figures, fell from over 100 to the mid-50s.

The authorities' relaxed attitude to lower interest rates. Ever since the climb to 16 per cent last year, base rates have been steadily trimmed by 1/2 point at a time, while during the nine months, sterling has risen to nearly DM 4.30 from about DM 4.15 against the D-mark; to 2440 from 2410 against the yen; and to FF 11.90 from FF 9.50 in terms of the French franc. The short rate fell by 1/2 per cent on Thursday, although most of the liquidity help provided by the authorities was through the classic agreement. Discount houses were reluctant to part with their high yielding paper throughout the week, and in the latter part of the week very few bills were bought outright by the authorities. Everything pointed to a cut of 1/2 per cent in base rates, but by Friday afternoon there was still no move. Perhaps the authorities would prefer someone else to set the ball rolling this time.

The long bill rates continued to come down to later days so the pressure built up for a cut in the more significant rates for the short rate (band 1) bills. The band 1 rate fell by 1/2 per cent on Thursday, although most of the liquidity help provided by the authorities was through the classic agreement. Discount houses were reluctant to part with their high yielding paper throughout the week, and in the latter part of the week very few bills were bought outright by the authorities. Everything pointed to a cut of 1/2 per cent in base rates, but by Friday afternoon there was still no move. Perhaps the authorities would prefer someone else to set the ball rolling this time.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table showing weekly change in world interest rates for London, Tokyo, Brussels, and Amsterdam. Columns include location, instrument, and percentage change.

BANK OF ENGLAND TREASURY BILL TENDER

Table showing details of Bank of England Treasury Bill tenders, including total applications, total allocated, and minimum amounts.

FT LONDON

INTERBANK FIXING

Table showing interbank fixing rates for 3 months and 6 months U.S. dollars, with bid and offer rates.

LONDON MONEY RATES

Table showing London money rates for various instruments like overnight, 7 days, and 14 days notice.

The fixing rates (July 2) are the arithmetic means, rounded to the nearest one-sixteenth of a cent and offered rates for \$100 quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

Local authorities and finance houses seven days notice, others seven days fixed. Long-term local authority mortgage rates are: one year 12 1/2 per cent; two years 13 1/2 per cent; three years 14 1/2 per cent; four years 15 1/2 per cent; five years 16 1/2 per cent.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for various currencies like Sterling, U.S. Dollar, Canadian Dollar, etc.

THE DOLLAR SPOT AND FORWARD

Table showing dollar spot and forward rates for various currencies.

CURRENCIES AND GOLD

Late fall by dollar

The dollar advanced to new peaks in nervous foreign exchange trading last week, despite expectations of an improvement in M1 money supply figures. Europeans seemed keen to push down the U.S. currency after mid-week, but met with some resistance from the members of the International Monetary Market in Chicago. The dollar touched record levels on Wednesday, and continued to advance the following day as U.S. operators reversed the weak early trend set in Europe. The U.S. unit touched DM 2.5165 against the D-mark, the highest for 11 months; SwFr 2.15 against the Swiss franc, the highest for all time since high after touching FF 7.0010. During the week the dollar also rose in a record against the lira of L1.4053, and to a 51 year high against sterling, to the pound fell to \$1.7080. But despite U.S. preference for the ruble and broker loan rates on Friday proved too hard to resist, and the dollar finished the week at DM 2.4870, compared with DM 2.4760 seven days earlier; at FF 6.8990, against FF 6.8690; at ¥254.95 against ¥256.45; and at SwFr 2.1090 compared with SwFr 2.1035.

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various currencies.

GOLD MARKETS

Table showing gold market prices for Gold Bullion (fine ounce), Gold Coins, and Gold Bars.

FORWARD RATES AGAINST STERLING

Table showing forward rates against sterling for various currencies.

OTHER CURRENCIES

Table showing exchange rates for other currencies like Argentina, Australia, Brazil, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large table listing various authorized trusts and their details, including Abbey Unit Tr. Mgrs., Druce Unit Tr. Mgrs., L & C Unit Trust Management, etc.

INSURANCES

Table listing various insurance companies and their products, including Allstate Life Assurance Co. Ltd., Allstate Property and Casualty Insurance Co., and others.

Table listing insurance companies and their products, including Aviva Life Assurance Co. Ltd., Aviva Property and Casualty Insurance Co., and others.

Table listing insurance companies and their products, including British Overseas Life Assurance Co. Ltd., British Overseas Property and Casualty Insurance Co., and others.

Table listing insurance companies and their products, including Commercial Union Assurance Co. Ltd., Commercial Union Property and Casualty Insurance Co., and others.

Table listing insurance companies and their products, including Equitable Life Assurance Co. Ltd., Equitable Property and Casualty Insurance Co., and others.

Table listing insurance companies and their products, including General Accident Assurance Co. Ltd., General Accident Property and Casualty Insurance Co., and others.

Table listing insurance companies and their products, including Lloyds of London, Lloyds of London Property and Casualty Insurance Co., and others.

Table listing insurance companies and their products, including National Life Assurance Co. Ltd., National Life Property and Casualty Insurance Co., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Table listing insurance and overseas managed funds, including Sun Life Assurance Co. Ltd., Sun Life Overseas Managed Funds, and others.

Table listing insurance and overseas managed funds, including Standard Life Assurance Co. Ltd., Standard Life Overseas Managed Funds, and others.

Table listing insurance and overseas managed funds, including Overseas Life Assurance Co. Ltd., Overseas Life Overseas Managed Funds, and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including various international investment funds and their performance metrics.

NOTES: Prices are in pence unless otherwise indicated and those designated S with a prefix refer to U.S. dollars. Yields % (shown in italics) show the all-inclusive yield based on the current price and interest rate.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

Table of stock prices for Food and Groceries sector, including items like J.S.D., Borden's, and others.

HOTELS AND CATERERS

Table of stock prices for Hotels and Caterers sector, including items like J.P. Hotels, J.P. Hotels, and others.

INDUSTRIALS (Misc.)

Table of stock prices for various Industrial companies.

ENGINEERING—Continued

Table of stock prices for Engineering companies.

CHEMICALS, PLASTICS—Cont.

Table of stock prices for Chemicals and Plastics companies.

BANKS & H.P.—Cont.

Table of stock prices for Banks and Hire Purchase companies.

LOANS—Continued

Table of stock prices for various Loan companies.

DRAPERY AND STORES

Table of stock prices for Drapery and Stores companies.

HIRE PURCHASE

Table of stock prices for Hire Purchase companies.

FINANCIAL

Table of stock prices for Financial companies.

AMERICANS

Table of stock prices for American companies.

BEERS, WINES AND SPIRITS

Table of stock prices for Beers, Wines and Spirits companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of stock prices for Building Industry, Timber and Roads companies.

FOREIGN BONDS & RAILS

Table of stock prices for Foreign Bonds and Rails companies.

ELECTRICALS

Table of stock prices for Electrical companies.

BRITISH FUNDS

Table of stock prices for British Funds.

CANADIANS

Table of stock prices for Canadian companies.

BANKS AND HIRE PURCHASE

Table of stock prices for Banks and Hire Purchase companies.

COMMONWEALTH AND AFRICAN LOANS

Table of stock prices for Commonwealth and African Loans companies.

Over Fifteen Years

Table of stock prices for companies with over 15 years of experience.

Five to Fifteen Years

Table of stock prices for companies with 5 to 15 years of experience.

Undated

Table of stock prices for undated companies.

Index-Linked & Variable Rate

Table of stock prices for Index-Linked and Variable Rate companies.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of stock prices for International Bank and Overseas Government Sterling Issues companies.

CORPORATION LOAN

Table of stock prices for Corporation Loan companies.

Public Board and Ind.

Table of stock prices for Public Board and Industrial companies.

FOOD, GROCERIES, ETC.

Table of stock prices for Food, Groceries, and other sectors.

ENGINEERING MACHINE TOOLS

Table of stock prices for Engineering Machine Tools companies.

CHEMICALS, PLASTICS

Table of stock prices for Chemicals and Plastics companies.

BANKS AND HIRE PURCHASE

Table of stock prices for Banks and Hire Purchase companies.

LOANS

Table of stock prices for various Loan companies.

Bryant Properties advertisement with contact number 021-700 5411.

BRITISH FUNDS advertisement.

Five to Fifteen Years advertisement.

Over Fifteen Years advertisement.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES advertisement.

COMMONWEALTH AND AFRICAN LOANS advertisement.

Factories Now! advertisement for industrial premises with contact number 051-236 5411.

INDUSTRIALS—Continued

Table of industrial stocks including shares, prices, and changes for various companies.

LEISURE—Continued

Table of leisure stocks including shares, prices, and changes for various companies.

PROPERTY—Continued

Table of property stocks including shares, prices, and changes for various companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including shares, prices, and changes for various funds.

OIL AND GAS—Continued

Table of oil and gas stocks including shares, prices, and changes for various companies.

NIKKO THE NIKKO SECURITIES CO. LTD. THE NIKKO SECURITIES CO., (EUROPE) LTD. NIKKO HOUSE, 17 GODALMANS STREET, LONDON, EC4A 3DF. Tel: 248-9811 Telex: 884717

MINES—Continued

Table of mining stocks categorized by Central African, Australian, Tins, and Miscellaneous.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including shares, prices, and changes.

SHIPPING

Table of shipping stocks including shares, prices, and changes.

SHOES AND LEATHER

Table of shoes and leather stocks including shares, prices, and changes.

SOUTH AFRICANS

Table of South African stocks including shares, prices, and changes.

TEXTILES

Table of textile stocks including shares, prices, and changes.

Commercial Vehicles

Table of commercial vehicle stocks including shares, prices, and changes.

Components

Table of component stocks including shares, prices, and changes.

Garages and Distributors

Table of garage and distributor stocks including shares, prices, and changes.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including shares, prices, and changes.

OVERSEAS TRADERS

Table of overseas trader stocks including shares, prices, and changes.

RUBBERS AND SISALS

Table of rubber and sisal stocks including shares, prices, and changes.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including shares, prices, and changes.

TOBACCO

Table of tobacco stocks including shares, prices, and changes.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including shares, prices, and changes.

TEAS

Table of tea stocks including shares, prices, and changes.

India and Bangladesh

Table of stocks from India and Bangladesh including shares, prices, and changes.

Sri Lanka

Table of stocks from Sri Lanka including shares, prices, and changes.

MINES

Table of mining stocks including shares, prices, and changes.

Central Rand

Table of stocks from the Central Rand including shares, prices, and changes.

East Rand

Table of stocks from the East Rand including shares, prices, and changes.

Far West Rand

Table of stocks from the Far West Rand including shares, prices, and changes.

O.F.S.

Table of stocks from O.F.S. including shares, prices, and changes.

Finance

Table of finance stocks including shares, prices, and changes.

Oil and Gas

Table of oil and gas stocks including shares, prices, and changes.

NOTES

Notes and disclaimers regarding the accuracy and reliability of the data provided in the stock listings.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks including shares, prices, and changes.

OPTIONS

Table of options stocks including shares, prices, and changes.

3-month Call Rates

Table of 3-month call rates including shares, prices, and changes.

Diamond and Platinum

Table of diamond and platinum stocks including shares, prices, and changes.

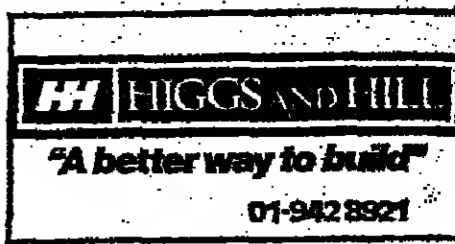
Recent Issues and Rights

Table of recent issues and rights stocks including shares, prices, and changes.



FINANCIAL TIMES

Monday July 12 1982



ISRAEL WARNS PLO: TIME IS RUNNING OUT

Beirut artillery battle rages

BY JAMES BUCHAN IN BEIRUT AND DAVID LENNON IN TEL AVIV

ISRAELI and Palestinian forces in Beirut engaged in one of the fiercest artillery battles of the fighting yesterday as the Cabinet in Jerusalem expressed deep concern about the stalemate to the diplomatic efforts to persuade the Palestine Liberation Organisation to withdraw from the Lebanese capital.

The new Israeli pressure reflected the lack of progress at the weekend on negotiations about the future of the 6,000 Palestinian guerrillas in the besieged western sector.

There were only three developments of diplomatic significance. France officially announced that she would take part in any international force to supervise disengagement.

Some Israeli Cabinet Ministers have already lost all patience with the mediation efforts of Mr Philip Habib, the special U.S. envoy, who is trying to work out an agreement on evacuation of Palestinian forces from Beirut.

Extra £1bn sought for councils

BY ROBIN PAULEY

AN INCREASE of at least £1bn in money available to English local authorities is being sought from the Cabinet for the second consecutive year, by Mr Michael Heseltine, the Environment Secretary.

against overspenders, without penalising underspenders, and because all previous attempts at penalties have failed.

The gap for next year widens, on White Paper assumptions, to more than 14 per cent in cash terms. It is this figure which local and central government officials have used recently as a basis for a range of service, manpower and expenditure exemptions.

Local authority expenditure in the current White Paper is planned to be £23.3bn cash this year and £24.2bn cash next year. This year's outturn is likely to be about £24.7bn, so even with an extra £1bn next year, councils would have to make some substantial economies and improvements in productivity and efficiency.

Government urged to stand firm on spending

BY ROBIN PAULEY

THE CONTINGENCY reserve should not be used to finance excessive public sector pay increases, the Confederation of British Industry has urged the Government.

Sir Terence says the CBI, which has launched a campaign urging employers to keep pay settlements low in a bid to restore Britain's international competitiveness, is very anxious that the current survey committee round should not further increase public spending next year.

He argues that there would be not the slightest hope of any move towards government targets if the discrepancy was so wide to begin with.

The CBI paper urges immediate action to be taken from: ● involve the private sector in profitable capital projects currently blocked by controls on government spending — roads, sewers, housing and various nationalised industry programmes;

Opec

It regards as its rightful market share. Iran would defend it, "even if it has to resort to force." He indicated that he was referring to commercial means — presumably price policy — but the potential threats of the producer emerging again as the dominant power in the Gulf were clearly part of his thinking, and indeed of Iran's tactics.

Argentina replies on hostilities

BY MARGARET VAN HATTEN, POLITICAL STAFF

ARGENTINA HAS replied formally to Britain's third request for confirmation that hostilities over the Falkland Islands have ceased.

Both the Prime Minister and Mr Pym are expected to discuss the matter with Sr Javier Pexes de Guellarr, the United Nations Secretary-General, who arrives in Britain tomorrow on a two-day visit.

It is encouraged by the return of the one British prisoner of war, P/Lt Jeffrey Glover, R.A.F., who returned to the UK Saturday. Under the Geneva Convention prisoners of war must be repatriated as soon as hostilities are formally over.

Coal Board warning

Industrial earnings league; that they must enjoy the best conditions possible; and that severance payments, which could be a major element in wage talks, must remain high.

Italian

sians, as and when funds are needed. If this action were not to be sufficient, the bank could become involved as shareholders of Banco Ambrosiano.

Labour to study banking controls

By Peter Riddell, Political Editor

THE LABOUR PARTY'S home policy committee is to consider proposals for increasing Government control over the banking system which range from greater regulation to nationalising all the big four clearing banks.

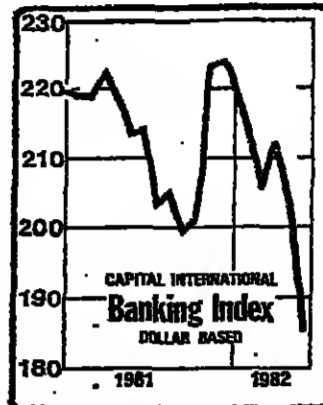
The Labour Party's home policy committee, chaired by Mr Tony Benn, meets today. It has received a report from a working party which recommends four options for dealing with the banking system.

Labour's Programme 1982, published just over a fortnight ago, merely said proposals were being considered to improve the flow of funds to industry. Any public stake in the banking system would be complementary to the National Investment Bank, which is intended to provide a link between funds flowing into long-term savings institutions and industry's need for capital investment funds.

Weather UK TODAY MOSTLY sunny and very warm. S.W. England, S. Wales and Channel Islands...

THE LEX COLUMN Cold draught for the bankers

The central bankers meeting in Basle today are confronted with the sudden eruption of a problem that concerns all of them particularly closely. Economists — and even bankers — have been warning for years about a number of threats to the health of the world banking system.



six months to April. In the UK a few medium-sized quoted companies have gone bankrupt, but post-mortems have typically centred on the question of whether the banks behaved properly in putting in the receiver.

Shares fall

On one particularly nervous day last week bank shares were heavily sold down on Wall Street, following the failure of a small state-regulated bank in Oklahoma.

Public ownership of one major clearer. Nationalisation of all four major clearers. A final decision will have to be taken by the party's ruling national executive committee, probably later this month.

Sovereign risk has been a conspicuous — and so in theory, well-discussed — issue for some time, but it has now reached the stage at which not even the most ingeniously designed re-scheduling agreements can disguise the inability of some

Palliative

The problem for the central banks — who have stood by while things have gone from bad to worse — is to retain confidence in the banking system while underlining the need for prudential discipline.

On domestic banking the main problem was how to fund long-term fixed-interest assets when short-term money rates were gyrating in the high teens.

In domestic as well as international banking, the beginning of the recession brought an increasing scramble for deteriorating business, with progressively less creditworthy customers commanding progressively finer terms.

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